



Cboe to Begin Rollout of New Options on 11 S&P Select Sector Indices

Reference ID: C2019012802

Overview

On February 7, 2019, Cboe Global Markets, Inc. (Cboe) will begin the new listing rollout of options on 11 S&P Select Sector Indices. These Index options will be listed on Cboe Options Exchange only and not on BZX, C2 or EDGX Options. The rollout schedule and certain operational systems settings for these new Index options follows.

Rollout Schedule

<u>Listing Date</u>	<u>Index Name</u>	<u>Option Symbol</u>	<u>Underlying Symbol</u>	<u>Settlement Symbol</u>
February 7, 2019	S&P Materials Select Sector Index	SIXB	IXB	SISB
February 11, 2019	S&P Communication Services Select Sector Index	SIXC	SIXC	SISC
February 11, 2019	S&P Energy Select Sector Index	SIXE	IXE	SISE
February 12, 2019	S&P Industrials Select Sector Index	SIXI	IXI	SISIN
February 12, 2019	S&P Financial Select Sector Index	SIXM	IXM	SISM
February 13, 2019	S&P Consumer Staples Select Sector Index	SIXR	IXR	SISR
February 13, 2019	S&P Real Estate Select Sector Index	SIXRE	IXRE	SISRE
February 13, 2019	S&P Technology Select Sector Index	SIXT	IXT	SIST
February 14, 2019	S&P Utilities Select Sector Index	SIXU	IXU	SISUT
February 14, 2019	S&P Health Care Select Sector Index	SIXV	IXV	SISV
February 14, 2019	S&P Consumer Discretionary Select Sector Index	SIXY	IXY	SISY

Trading Hours

- Regular Trading Hours: Monday through Friday from 8:30 A.M. to 3:00 P.M. CT

Exercise Style, Last Trading Day and Expiration Date

- Exercise Style: A.M.-settled and cash-settled contracts with European-style exercise.
- Trading in expiring options will ordinarily cease at 3:00 P.M. CT on the business day preceding the expiration date.
- The Expiration and Settlement date will generally be the third Friday of the expiration month.

Initial Contract Listings

- Cboe will list the following standard expiration months on the initial launch date: March 2019, April 2019, May 2019 and June 2019

Lead Market-Maker (“LMM”), Trading Floor Location and Class Tier

Appointment Cost

- LMM: Susquehanna Securities
- Post and Station: Post 12
- Initial Class Tier Appointment Cost: .001

Orders and Quotes

- Minimum Price Increment for Simple Orders and Quotes: \$0.05 under \$3.00 and \$0.10 above \$3.00.
- Minimum Price Increment for Complex Orders: \$0.01.
- All-or-None (AON) Orders: AON orders will be rejected.
- Reserve Orders: Simple and complex reserve orders will be accepted.
- Complex Order Book (COB) Access: Complex orders from all participants will be eligible to rest in the COB (see Rule 6.53C).

Matching Algorithm and Auctions

- The Matching Algorithm will be:
 - For the simple order book: priority customer; LMM participation entitlement (50% if matched by one participant, 40% if matched by two participants; 30% if matched by three or more participants); then pro-rata.
 - For the COB: Priority customer; then pro-rata.
- Preferred Market-Maker (PMM): PMM participation entitlement will be unavailable.
- Open Outcry Crossing Entitlement: 40% for Solicitations and 40% for Facilitations.
- Complex Order Auction (COA): COA will be active, with a 100 millisecond timer, for complex orders from customers (origin code C) and professional customers (origin code W). The COA matching algorithm will be in accordance with Rule 6.53C(d)(v), with allocation among auction responses and complex orders in COB from public customers in time priority; then pro-rata, capped at the size of the auctioned order (first among broker-dealer orders in COB prior to the auction, then among broker-dealer auction responses and complex orders in COB received during the auction). All participants are permitted to respond to COA.

- Automated Improvement Mechanism (AIM): AIM will be active, with a 100 millisecond timer (see Rule 6.74A). Both simple and complex orders will be supported. Rule 6.74A(b)(3) describes the AIM allocation will be public customer priority, then pro-rata. The participation entitlement for the contra/match order will be the greater of (A) 1 contract or (B) 50% if matched by one participant or 40% if matched by two or more participants. Auction responses are permitted from Market-Makers with an appointment in the class and TPHs acting on behalf of orders at the top of the opposite-side book (or COB) at the start of the auction. The minimum price increment for AIM will be \$0.01 for simple and complex orders. At least three quoters are required to start the auction.
- The Solicitation Auction Mechanism (SAM): SAM, or “AON AIM”, will not be active.
- Hybrid Agency Liaison (HAL): HAL will be active for purposes of drill-through protection, with a 20 millisecond timer.
- HAL on the Open (HAL-O) will be active, with a 20 millisecond timer.

Other

- Opening timers, Exchange Prescribed Width (EPW), Opening EPW (OEPW), limit order price reasonability and drill-through protection settings will be set at standard levels currently in use. See Regulatory Circulars [RG14-061](#), [RG16-187](#), and [RG17-053](#).
- FLEX will be available for these options.
- Multi-class spreads will not be available upon initial launch.
- PULSE will not display market data for the underlying symbols.
- Cboe’s Sectors website is at www.cboe.com/sectors.

Additional Information

Questions may be directed to the Operations Support Center (OSC).

We appreciate your business and remain committed to powering your potential with Cboe products, technologies, and solutions.

Cboe Operations Support Center

866.728.2263

osc@cboe.com